

## Message Text

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44

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 097070

R 110815Z DEC 76  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 9996  
USDOC WASHDC  
INFO AMCONSUL CALCUTTA

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E. O. 11652: N/A  
TAGS: TBIO, IN  
SUBJECT: LUDLOW JUTE COMPANY

1. THE LUDLOW JUTE CO., LTD. HAS REACHED AGREEMENT WITH APEEJAY PRIVATE LTD. FOR SALE OF THE ASSETS OF LUDLOW IN INDIA. THE SALE MUST BE APPROVED BY THE GOI, WHICH MAY BE A LENGTHY PROCESS.
2. LUDLOW HAS OPERATED IN INDIA SINCE 1921 AS A BRANCH OF THE AMERICAN COMPANY. IT RECENTLY RECEIVED PERMISSION TO OPERATE AS A 100 PERCENT FOREIGN-OWNED COMPANY REGISTERED IN INDIA, BECAUSE 100 PER CENT OF ITS PRODUCTION IS EXPORTED.
3. THE TERMS OF THE AGREEMENT CALLS FOR LUDLOW TO HAVE THE OPTION OF PURCHASING 15 PERCENT OF APEEJAY STOCK AND TO BE REPRESENTED ON ITS BOARD. LUDLOW WILL SELL ITS ASSETS AT BOOK VALUE AND APEEJAY WILL ASSUME MOST LIABILITIES OF THE COMPANY. FYI: WE UNDERSTAND LUDLOW VALUES ITS ASSETS AT \$6 MILLION. END FYI. FOR A FIVE YEAR PERIOD, LUDLOW WILL DISTRIBUTE JUTE PRODUCTS FOR APEEJAY THROUGHOUT THE WORLD AND WILL PROVIDE RESEARCH AND TECHNICAL ASSISTANCE TO APEEJAY. COPIES OF LUDLOW'S LETTER TO THE MINISTRY OF FINANCE REQUESTING APPROVAL OF THE SALE AND OUTLINING THE SUBSTANCE OF THE AGREEMENT ARE BEING FORWARDED TO NEA/INS AND USDOC.

4. THE REASON FOR THE SALE IS DUE TO THE CURRENT PROBLEMS

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OF THE JUTE INDUSTRY RATHER THAN GENERAL DIFFICULTIES OF

DOING BUSINESS IN INDIA. LUDLOW HAS OPERATED AT A  
LOSS FOR THE LAST TWO YEARS AND WILL HAVE A LOSS THIS YEAR.  
IT HAS DECIDED THAT THE BEST COURSE IS TO CUT THESE LOSSES  
AND PULL OUT.

5. LUDLOW REQUESTS THAT THIS INFORMATION BE HELD IN CON-  
FIDENCE UNTIL IT IS MADE PUBLIC IN INDIA.  
SCHNEIDER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** JUTE, ASSETS, SALES, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** vogelfj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976NEWDE17858  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760457-1171  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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